

Madison Parish School Board
Tallulah, Louisiana
Annual Financial Report
As of and for the Year Ended June 30, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/1/14

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(Concluded)

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

**Members of the School Board
Madison Parish School Board
Tallulah, Louisiana**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madison Parish School Board (the School Board) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Madison Parish School Board
Independent Auditors' Report

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 5 – 11), the budgetary comparison information (pages 51 – 53), and the schedule of funding progress-other post-employment benefits (page 49) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying information listed as other supplementary information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information and the schedule of expenditures of federal awards described above are fairly stated in all material respects in relation to the basic financial statements as a whole.

Madison Parish School Board
Independent Auditors' Report

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2014, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Luffey, Huffman, Regalado, & Squires

(A Professional Accounting Corporation)

April 15, 2014

REQUIRED SUPPLEMENTARY INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

**Madison Parish School Board
Management's Discussion and Analysis (MD&A)
(Unaudited)**

Our discussion and analysis of Madison Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis. Unless otherwise noted all amounts are reported in thousands.

FINANCIAL HIGHLIGHTS In fiscal year 2013, the District implemented the following GASB Statements:

Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position." This Statement establishes standards for reporting of deferred outflows of resources, deferred inflows of resources, and net position.

Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement amends or supersedes the accounting and financial guidance for certain items previously reported as assets or liabilities as well as establishes accounting and financial reporting standards for the financial statement of state and local governments.

Although these Statements had no current effect on the financial statements as a result of implementation, the Statements did change the presentation of the School Board's financials, which consisted of the net assets being classified as net position.

The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily Minimum Foundation Funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants.

The fund balances of all governmental funds increased \$1,168. This overall increase is due mainly to a decrease in expenditures which was budgeted.

The Debt Service fund reported an increase in fund balance of \$707 due mainly to a transfer of \$448 from the capital projects fund.

USING THIS ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the General Fund, Title I, and Debt Service. The proprietary fund statements provide information about our internal service fund, which is used to account for our worker's compensation self insurance. The remaining statement - the Statement of Fiduciary Assets and Liabilities presents financial information about activities for which the School Board acts solely as an agent for the benefit of students, parents and citizens.

**Madison Parish School Board
Management's Discussion and Analysis (MD&A)
(Unaudited)**

Financial Section

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Basic Financial Statements

Required Supplementary Information

Schedule of Funding Progress for OPEB
Budgetary Information for Major Funds

Supplementary Information

Nonmajor Funds Combining Statements
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members

Our auditor has provided an opinion in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplementary Information and the Supplementary Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the School Board as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
(Unaudited)

These two statements report the School Board's net position - the difference between assets and liabilities, as reported in the Statement of Net Position - as one way to measure the School Board's financial health of financial position. Over time, increases or decreases in the School Board's net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Position and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the School Food Service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental funds - Most of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation on Statements D and F.

Proprietary funds - When the School Board charges customers for the services it provides - whether to outside customers or to other units of the School Board - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The School Board uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the School Board's other programs and activities - the worker's compensation fund.

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
(Unaudited)

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its student activities funds, and sales tax agency fund. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Assets and Liabilities. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE SCHOOL BOARD AS A WHOLE The School Board's net position was \$20,067 at June 30, 2013. Of this amount \$2,303 was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use that net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities.

Table 1
Net Position (in thousands)
June 30,

	2013	2012	Variance
Current and other assets	\$18,542	\$18,563	\$ (21)
Capital assets	33,655	34,863	(1,208)
Total assets	<u>52,197</u>	<u>53,426</u>	<u>(1,229)</u>
Current and other liabilities	1,848	2,875	(1,027)
Long-term liabilities	30,282	30,029	253
Total liabilities	<u>32,130</u>	<u>32,904</u>	<u>(774)</u>
Net position:			
Net investment in capital assets	10,681	11,273	(592)
Restricted	7,083	6,435	648
Unrestricted	2,303	2,814	(511)
Total net position	<u>\$20,067</u>	<u>\$20,522</u>	<u>\$ (455)</u>

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 on the next page, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
(Unaudited)

Table 2
Changes in Net Position (in thousands)
For the Year Ended June 30,

	Governmental Activities		
	2013	2012	Variance
Net Assets – beginning, as originally stated	\$20,522	\$20,886	\$ (364)
Prior period adjustment	-	190	(190)
Net Assets – beginning, as restated	20,522	21,076	(554)
Revenues:			
Program revenues			
Charges for services	17	44	(27)
Operating grants and contributions	5,329	5,267	62
General Revenues			
Ad valorem taxes	2,525	2,616	(91)
Sales taxes	3,529	3,036	493
State equalization	10,812	11,701	(889)
Other general revenues	327	410	(83)
Total revenues	22,539	23,074	(535)
Functions/Program Expenses:			
Instruction			
Regular programs	7,027	7,882	(855)
Special programs	1,517	1,993	(476)
Other instructional programs	2,606	2,404	202
Support services			
Student services	1,305	1,205	100
Instructional staff support	2,027	1,764	263
General administration	823	756	67
School administration	999	829	170
Business services	530	584	(54)
Plant services	1,804	1,825	(21)
Student transportation services	1,616	1,509	107
Food Services	1,600	1,736	(136)
Community Service Program	14	14	-
Interest on long-term debt	1,126	1,127	(1)
Total expenses	22,994	23,628	(634)
Increase (decrease) in net position	(455)	(554)	99
Net Position – ending	\$20,067	\$20,522	\$ (455)

Governmental Activities As reported in the Statement of Activities, the cost of all governmental activities this year was \$22,994. The amount that taxpayers ultimately financed for these activities through School Board taxes was \$6,054 with some of the cost was paid by those who benefited from the program of \$17 and by other governments and organizations who subsidized certain programs with grants and contributions of \$5,329. The remaining amount was

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
(Unaudited)

paid by MFP funds of \$10,812, other grants that are not restricted to certain programs of \$38 and other revenues of \$289 which are mainly interest income and other local sources. The net change of \$455 reduced the net position. Total revenues decreased \$535 due mainly to a decrease in MFP of \$889 which was partially offset by an increase in sales taxes of \$493. Total expenses decreased \$634 due mainly to the decrease in revenue.

In the table below we have presented the cost of each of the School Board's six largest functions - regular programs, special programs, other instructional programs, instructional staff support, plant services, and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Governmental Activities for the Year Ended June 30 2013 (in thousands)		
	Total Cost of Services	Net Cost of Services
Regular programs	\$ 7,027	\$ 6,531
Special programs	1,517	1,339
Other instructional programs	2,606	632
Instructional staff support	2,027	929
Plant services	1,804	1,804
Food services	1,600	408
All others	6,413	6,005
Totals	<u>\$ 22,994</u>	<u>\$ 17,648</u>

THE SCHOOL BOARD'S FUNDS As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

General Fund Budgetary Highlights There were no budget amendments for the 2012-2013 fiscal year.

Actual revenue exceeded budgeted revenue by \$107. This was due mainly to sales tax.

Actual expenditures were less than budgeted by \$161. Actual salaries and benefits were less than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2013, the School Board had \$33,655 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions,

Madison Parish School Board
Management's Discussion and Analysis (MD&A)
(Unaudited)

and depreciation) of \$1,208 or 3%, from last year. This decrease is due to annual depreciation expense. We present more detailed information on our capital assets in Note 5 to the financial statements. Capital Assets at June 30,

	2013	2012	Variance
Land	\$ 939	\$ 939	\$ -
Furniture and equipment	1,439	1,743	(304)
Buildings	31,277	32,181	(904)
Totals	<u>\$ 33,655</u>	<u>\$ 34,863</u>	<u>\$ (1,208)</u>

DEBT ADMINISTRATION At June 30, 2013, the School Board had \$23,664 in long term debt versus \$24,731 last year. The outstanding debt consists of:

	2013	2012	Variance
Qualified zone academy bond	\$ 252	\$ 354	\$ (102)
General obligation bonds	15,270	15,865	(595)
Sales tax revenue bonds	8,070	8,370	(300)
Capital lease	72	142	(70)
	<u>\$23,664</u>	<u>\$24,731</u>	<u>\$ (1,067)</u>

The State limits the amount of general obligation debt that can be issued to 35% of the assessed value of taxable property. The net bonded debt of \$15,270 is well below this threshold. We present more detailed information on our long term debt in Note 11 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES The 2013-14 budget was estimated from the 2012-13 fiscal year actual results. The budget was revised when state revenues were projected to decrease by approximately \$2,000,000. The Board adopted a reduction of personnel policy to address this revenue shortfall in November of 2013.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Lisa Wilmore, Superintendent, at Madison Parish School Board, P. O. Box 1620, Tallulah, Louisiana 71284, telephone number (318) 574-3616.

Madison Parish School Board

BASIC FINANCIAL STATEMENTS:

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

MADISON PARISH SCHOOL BOARD

STATEMENT OF NET POSITION

June 30, 2013

Statement A

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 16,521,901
Receivables (net)	1,640,674
Inventory	41,532
Prepaid items	338,256
Capital assets:	
Land	939,093
Exhaustible capital assets, net of depreciation	32,715,120
TOTAL ASSETS	52,196,576
LIABILITIES	
Accounts, salaries and other payables	1,454,122
Interest payable	356,699
Unearned revenue	36,704
Long-term liabilities:	
Due within one year	1,539,202
Due in more than one year	28,743,129
TOTAL LIABILITIES	32,129,856
NET POSITION	
Net investment in capital assets	10,681,162
Restricted for:	
Debt Service	6,480,463
Salaries	232,076
School Food Service	369,930
Unrestricted	2,303,089
TOTAL NET POSITION	\$ 20,066,720

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

Statement B

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 7,027,122	\$ -	\$ 495,896	\$ (6,531,426)
Special programs	1,517,282	-	177,985	(1,339,307)
Other instructional programs	2,505,741	-	1,974,231	(531,510)
Support services:				
Student services	1,304,447	-	381,877	(922,570)
Instructional staff support	2,026,852	-	1,097,359	(929,593)
General administration	823,373	-	3,637	(819,736)
School administration	999,183	-	15,816	(983,367)
Business services	529,904	-	7,702	(522,202)
Plant services	1,803,819	-	208	(1,803,611)
Student transportation services	1,616,053	-	-	(1,616,053)
Food services	1,600,432	17,184	1,174,964	(408,284)
Community service programs	13,838	-	-	(13,838)
Interest on long-term debt	1,126,251	-	-	(1,126,251)
Total Governmental Activities	\$ 22,994,407	\$ 17,184	\$ 5,329,475	\$ (17,647,748)
<i>General revenues:</i>				
Taxes:				
Ad valorem taxes				2,525,267
Sales taxes				3,529,423
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				10,811,785
State Revenue Sharing				38,002
Interest and investment earnings				45,187
Miscellaneous				242,647
Total general revenues				17,192,321
Changes in net assets				(455,427)
Net position - beginning				20,522,147
Net position - ending				<u><u>\$ 20,066,720</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Madison Parish School Board

BASIC FINANCIAL STATEMENTS:

FUND FINANCIAL STATEMENTS (FFS)

MADISON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2013

	<u>GENERAL</u>	<u>TITLE I</u>	<u>DEBT SERVICE</u>
ASSETS			
Cash and cash equivalents	\$ 7,374,143	\$ 120,201	\$ 6,362,318
Receivables	231,236	713,828	121,176
Interfund receivables	1,173,268	-	-
Inventory	-	-	-
Prepaid items	338,256	-	-
TOTAL ASSETS	<u>9,116,903</u>	<u>834,029</u>	<u>6,483,494</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	929,246	288,628	3,031
Interfund payables	157,640	531,212	-
Unearned revenue	-	14,189	-
	<u>1,086,886</u>	<u>834,029</u>	<u>3,031</u>
Fund Balances:			
Nonspendable	338,256	-	-
Restricted	232,076	-	6,480,463
Committed	843,752	-	-
Unassigned	6,615,933	-	-
Total Fund Balances	<u>8,030,017</u>	<u>-</u>	<u>6,480,463</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,116,903</u>	<u>\$ 834,029</u>	<u>\$ 6,483,494</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

NONMAJOR GOVERNMENTAL	TOTAL
\$ 1,412,846	\$ 15,269,508
574,361	1,640,601
157,640	1,330,908
41,532	41,532
-	338,256
<u>2,186,379</u>	<u>18,620,805</u>
233,217	1,454,122
642,056	1,330,908
22,515	36,704
<u>897,788</u>	<u>2,821,734</u>
25,723	363,979
1,039,328	7,751,867
223,540	1,067,292
-	6,615,933
<u>1,288,591</u>	<u>15,799,071</u>
<u>\$ 2,186,379</u>	<u>\$ 18,620,805</u>

MADISON PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2013**

Statement D

Total fund balances - governmental funds \$ 15,799,071

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 48,304,384	
Depreciation expense to date	<u>(14,650,171)</u>	
		33,654,213

Net position of the internal service fund reported as proprietary fund type in the fund financial statement but included as governmental activities in the government-wide financial statement.

Total net position		910,466
--------------------	--	---------

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

Balances at June 30, 2013 are:

Long-term liabilities		
General obligation and sales tax bonds	(23,340,000)	
QZAB loan payable	(252,714)	
Capital lease	(72,317)	
OPEB liability payable	(5,683,385)	
Compensated absences payable	(591,915)	
Interest payable	<u>(356,699)</u>	
		<u>(30,297,030)</u>

Total net position - governmental activities		<u>\$ 20,066,720</u>
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THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2013**

	<u>GENERAL</u>	<u>TITLE I</u>	<u>DEBT SERVICE</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 1,231,316	\$ -	\$ 1,293,951
Sales and use	2,117,689	-	1,411,734
Interest earnings	27,976	-	15,538
Food services	-	-	-
Other	44,157	-	-
State sources:			
Equalization	10,791,533	-	-
Other	67,698	-	-
Federal sources	62,180	2,402,971	-
Total Revenues	<u>14,342,549</u>	<u>2,402,971</u>	<u>2,721,223</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	5,361,816	75,505	-
Special programs	1,259,228	-	-
Other instructional programs	598,616	1,467,325	-
Support services:			
Student services	744,468	108,843	-
Instructional staff support	756,132	567,680	-
General administration	418,720	183,016	3,945
School administration	892,144	-	-
Business services	470,388	602	40,723
Plant services	1,314,579	-	438,651
Student transportation services	1,197,428	-	-
Food services	174,168	-	-
Community service programs	13,838	-	-
Debt service:			
Principal retirement	170,855	-	895,000
Interest and bank charges	5,185	-	1,083,985
Total Expenditures	<u>13,377,466</u>	<u>2,402,971</u>	<u>2,462,304</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 965,083</u>	<u>\$ -</u>	<u>\$ 258,919</u>

Statement E

NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ 2,525,267
-	3,529,423
389	43,903
17,184	17,184
192,228	236,383
20,262	10,811,795
149,776	217,474
<u>2,664,852</u>	<u>5,160,003</u>
<u>3,064,689</u>	<u>22,531,432</u>
327,837	5,765,157
173,167	1,432,396
318,583	2,364,424
422,008	1,275,319
501,082	1,824,894
153,840	759,521
16,816	907,960
7,101	518,814
461	1,753,691
2,046	1,199,474
1,188,598	1,372,766
-	13,838
-	1,065,855
-	<u>1,089,171</u>
<u>3,120,539</u>	<u>21,363,280</u>
\$ (55,850)	\$ 1,168,152

(CONTINUED)

MADISON PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2013**

	<u>GENERAL</u>	<u>TITLE I</u>	<u>DEBT SERVICE</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ -	\$ 448,178
Transfers out	(261,411)	-	-
Total Other Financing Sources (Uses)	(261,411)	-	448,178
Net Change in Fund Balances	703,672	-	707,097
Fund balances- beginning	7,326,345	-	5,773,366
Fund balances - ending	<u>\$ 8,030,017</u>	<u>\$ -</u>	<u>\$ 6,480,463</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement E

NONMAJOR GOVERNMENTAL	TOTAL
\$ 261,411 (448,178)	\$ 709,589 (709,589)
<u>(186,767)</u>	<u>-</u>
(242,617)	1,168,152
<u>1,531,208</u>	<u>14,630,919</u>
<u>\$ 1,288,591</u>	<u>\$ 15,799,071</u>

(CONCLUDED)

MADISON PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2013.**

Statement F

Total net change in fund balances - governmental funds	\$	1,168,152
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the period:

Depreciation expense	\$ (1,209,276)	
Capital outlays	<u> </u>	(1,209,276)

The issuance of long-term debt provides current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Repayment of bond debt and capital lease	1,085,855	
OPEB liability	<u>(1,233,357)</u>	(167,502)

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (381,251) exceeded the amounts used \$300,800 by (\$80,451).		(80,451)
--	--	----------

All revenues, expenses and changes in fund net position (deficits) of the Internal Service fund are reported as proprietary fund type in the fund financial statement but included as governmental activities in the government-wide financial statement.		(129,270)
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		<u>(37,080)</u>
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Change in net position of governmental activities.	\$	<u>(455,427)</u>
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THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH SCHOOL BOARD
PROPRIETARY FUND TYPE - INTERNAL SERVICE
STATEMENT OF NET POSITION
June 30, 2013

Statement G

ASSETS

Current assets:

Cash	\$ 1,252,393
Accounts receivable	<u>73</u>

TOTAL ASSETS	<u><u>1,252,466</u></u>
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LIABILITIES

Current liabilities:

Claims payable	<u>125,000</u>
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Noncurrent liabilities:

Claims payable	<u>217,000</u>
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TOTAL LIABILITIES	<u><u>342,000</u></u>
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NET POSITION

Unrestricted	<u>910,466</u>
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TOTAL NET POSITION	<u><u>\$ 910,466</u></u>
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THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH SCHOOL BOARD
PROPRIETARY FUND TYPE - INTERNAL SERVICE
Statement of Revenues, Expenses, and
Changes in Fund Net Position
For the Year Ended June 30, 2013

Statement H

OPERATING REVENUE	
Services provided other funds	\$ 6,264
	<u>6,264</u>
Total operating revenue	<u>6,264</u>
OPERATING EXPENSES	
Claims	87,963
Administration	48,855
	<u>136,818</u>
Total operating expenses	<u>136,818</u>
Operating income (loss)	<u>(130,554)</u>
NONOPERATING REVENUE	
Earnings on Investments	1,284
	<u>1,284</u>
Changes in Net Assets	(129,270)
NET POSITION - BEGINNING	<u>1,039,736</u>
NET ASSETS - ENDING	<u>\$ 910,468</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH SCHOOL BOARD
PROPRIETARY FUND TYPE - INTERNAL SERVICE
Statement of Cash Flows
For the Year Ended June 30, 2013

	Statement 1
CASH FLOWS FROM OPERATING ACTIVITIES	
Premiums	\$ 55,720
Claims paid	<u>(131,891)</u>
Net cash provided by operating activities	<u>(76,171)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on invested proceeds	<u>1,284</u>
Net increase (decrease) in cash and cash equivalents	(74,887)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,327,280</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>1,252,393</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	(130,554)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(73)
(Increase) decrease in interfund receivable	49,456
Increase (decrease) in claims payable	<u>5,000</u>
Net cash provided (used) for operating activities	<u><u>\$ (76,171)</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH SCHOOL BOARD

**FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2013**

Statement J

	<u>AGENCY FUND</u>
ASSETS	
Cash and cash equivalents	\$ 169,919
Receivables	<u>553,476</u>
TOTAL ASSETS	<u><u>723,395</u></u>
LIABILITIES	
Deposits due others	<u>723,395</u>
TOTAL LIABILITIES	<u><u>\$ 723,395</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

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Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Madison Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY The Madison Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Madison Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of ten members who are elected from ten districts for terms of four years.

The School Board operates four schools within the parish with a total enrollment of approximately 2,000 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

B. FUNDS The accounts of the School Board are organized and operated on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Funds of the School Board are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds Governmental funds account for all or most of the School Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

General Fund - the general operating fund of the School Board accounts for all financial resources, except those accounted for in other funds.

Title I Fund - accounts for federal funds received for the Title I federal program.

Debt Service - accounts for taxes collected for payment of debt and the debt service payments on the general obligation bonds and the sales tax bonds.

Proprietary Funds Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on measurement, which, together with the maintenance of equity is an important financial indicator. The School Board reports the following proprietary fund:

Internal service fund - accounts for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. This fund accounts for the worker's compensation program.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Fiduciary Funds - account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Fiduciary funds include:

School activities agency fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Sales tax agency fund - used to account for collections and disbursement of sales tax receipts to Madison Parish School Board, Madison Parish Policy Jury, City of Tallulah, Village of Delta, Village of Richmond and Madison Parish Law Enforcement District.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 Accounting and Financial Reporting for Nonexchange Transactions.

Internal Activities The Worker's Compensation internal service fund provides services to the governmental funds. Accordingly, the Workers Compensation fund activity was rolled into the governmental activities. Pursuant to GASB Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as much as possible, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion.

Program revenues Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

Allocation of indirect expenses The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state awards which include state equalization and state revenue sharing are recorded as unrestricted grants-in-aid when available and measurable. Federal and state restricted grants are recorded when the reimbursable expenditures have been incurred.

Ad valorem taxes are recognized when all applicable eligibility requirements are met and the resources are available.

Sales taxes are recognized when the underlying exchange takes place and the resources are available.

Interest income on time deposits and investments is recorded when the interest becomes measurable and available to finance expenditures of the fiscal period.

Expenditures Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Salaries are recorded as paid. Salaries for nine-month employees are paid over twelve months and accrued at June 30.

Principal and interest on long-term debt is recognized when due.

Inventory items are expensed as purchased except for inventory of the school lunch fund which is expensed as consumed.

Compensated absences are recognized as expenditures when leave is actually taken or upon termination of employment due to retirement or death.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Other Financing Sources (Uses) Transfers between funds that are not expected to be repaid (or other types, such as sale of capital assets, debt extinguishments, and long-term debt proceeds) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary Fund Proprietary fund is accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included on the balance sheet.

Operating revenues and expenses Proprietary fund distinguish operating revenues and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with the fund's principal ongoing operation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less they are classified as cash equivalents and are stated at cost.

E. INVESTMENTS Investments are limited by R.S. 33:2955 and the School Board's investment policy. The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The School Board reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

G. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

H. INVENTORY AND PREPAID ITEMS Inventory items are expensed as purchased except for inventory of the school food service fund.

Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

Certain payments to vendors reflect cost applicable to future accounting periods and are reported as prepaid items.

I. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$5,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	15 - 40 years
Furniture and equipment	3 - 10 years

J. UNEARNED REVENUES Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

K. COMPENSATED ABSENCES All 12-month employees earn ten days of vacation leave each year. Vacation leave can be accumulated up to a maximum of twenty-five days. However, those employees who had accumulated more than twenty-five days prior to June 30, 2003 could have their full accumulated leave count carried forward. The amount accumulated can never exceed the amount at June 30, 2003.

All School Board employees earn from ten to eighteen days of sick leave each year, depending upon the length of service. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

The School Board's recognition and measurement criteria for compensated absences follows:

GASB Statement 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' rights to receive compensation are attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach to accrue the liability for sick leave. Employees with a minimum of 10 years of experience are included in the calculation.

L. LONG-TERM LIABILITIES For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The OPEB Plan is a single employer defined benefit "substantive plan" as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB Plan is reported based on communication to plan members.

M. RESTRICTED NET POSITION For the government-wide statement of net position, net position is reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

The net position restricted for debt service and salaries is restricted due to enabling legislation.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

N. FUND EQUITY OF FUND FINANCIAL STATEMENTS

GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of a resolution passed at a School Board meeting committing the funds. The resolutions are usually the result of budget revisions.

Assigned: Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board.

Unassigned: Fund balance that is the residual classification for the general fund.

It is the School Board's policy to use restricted amounts first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The School Board reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

O. INTERFUND ACTIVITY Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

P. SALES TAX The School Board collects 2.5% sales tax. Of the sales tax collected 1% is dedicated for salaries, .5% is dedicated for maintenance and 1% is dedicated for capital projects, which includes the authority to fund the sales tax into bonds via the debt service fund.

Q. BUDGETS

General Budget Practices The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget. There were no revisions during the year.

Budget Basis of Accounting The major governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

R. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 - LEVIED TAXES The School Board levies taxes on real and business personal property located within Madison Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Madison Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Madison Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Millage rates adopted	October, 2012
Levy date	October, 2012
Tax bills mailed	November, 2012
Due date	December 31, 2012
Lien date	January 1, 2013

Assessed values are established by Madison Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% industrial improvements
15% machinery	15% commercial improvements
10% residential improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the tax roll of January 1, 2012.

Madison Parish School Board
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State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general and sinking fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date.

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 2013 property taxes occurs in December, and January and February of the next year. As a result, no property taxes receivable for 2013 taxes is included on the accompanying balance sheet because none is available within 60 days of the School Board's year-end.

Historically, virtually all ad valorem taxes receivable are collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional	4.76	4.60	Statutory
Operations	5.27	5.09	2012
Debt service	30.01	12.00	2029

NOTE 3 - DEPOSITS At June 30, 2013, the School Board has cash and cash equivalents of \$16,691,820 as follows:

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Interest rate risk: The School Board's policy does not address interest rate risk.

Credit risk: The School Board's policy does not address credit risk.

Custodial credit risk: At year end, the School Board's carrying amount of deposits was \$16,691,820 (Statement A - \$16,521,901 and Statement J - \$169,919) and the bank balance was \$18,111,764. Of the bank balance, \$572,267 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name. The remaining bank balance of \$17,743,069 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. Louisiana Revised Statute 39:1229

Madison Parish School Board
Notes to the Basic Financial Statements
For the Year Ended June 30, 2013

imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES The balance of receivables at June 30, 2013, is shown below. The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

	General	Title I	Debt Service	Nonmajor Governmental	Internal Service	Total
Intergovernmental - grants:						
Federal	\$ -	\$ 713,828	\$ -	\$ 518,689	\$ -	\$ 1,232,517
State	7,580	-	-	55,672	-	63,252
Local sources:						
Sales tax	181,764	-	121,176	-	-	302,940
Other	41,892	-	-	-	73	41,965
Total	<u>\$ 231,236</u>	<u>\$ 713,828</u>	<u>\$ 121,176</u>	<u>\$ 574,361</u>	<u>\$ 73</u>	<u>\$ 1,640,674</u>

NOTE 5 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2013 is as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Capital asset not being depreciated				
Land	\$ 939,093	\$ -	\$ -	\$ 939,093
Capital assets being depreciated				
Buildings	42,328,910	-	-	42,328,910
Furniture and equipment	5,036,381	-	425,125	4,611,256
Total capital assets being depreciated	<u>47,365,291</u>	<u>-</u>	<u>425,125</u>	<u>46,940,166</u>
Less accumulated depreciation				
Buildings	10,147,895	904,623	-	11,052,518
Furniture and equipment	3,293,000	304,653	425,125	3,172,528
Total accumulated depreciation	<u>13,440,895</u>	<u>1,209,276</u>	<u>425,125</u>	<u>14,225,046</u>
Total capital assets being depreciated, net	<u>33,924,396</u>	<u>1,209,276</u>	<u>-</u>	<u>32,715,120</u>
Governmental activities				
Capital assets, net	<u>\$ 34,863,489</u>	<u>\$ 1,209,276</u>	<u>\$ -</u>	<u>\$33,654,213</u>

Madison Parish School Board
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Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 631,160
Special programs	37,556
Vocational programs	28,652
Other instructional programs	677
Other special programs	62,264
Student services	521
Instructional staff support	24,231
General administration	2,672
Business services	5,183
Plant services	20,064
Student transportation services	344,633
Food services	51,663
Total depreciation expense	<u>\$ 1,209,276</u>

NOTE 6 - RETIREMENT SYSTEMS

Plan description Substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with ten years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally two percent (with less than 25 years of service) or 2.5 percent (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 with at least ten years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after ten years of service at age 60. The maximum retirement allowance is computed at 2.5 percent times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

**Madison Parish School Board
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Both TRS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, Louisiana 70804-9123
(225) 925-6446

Louisiana School Employees' Retirement System
Post Office Box 44516
Baton Rouge, Louisiana 70804
(225) 925-6484

Funding Policy Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan A, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the state of Louisiana. Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2013, are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.0%	24.5%
Plan A	9.1%	30.0%
Louisiana School Employees' Retirement System	7.5/8.0%	30.8%

The School Board's contributions to Teacher's Retirement System for the years ending June 30, 2013, 2012, and 2011 were \$2,064,767, \$2,133,858, and \$1,933,187 respectively, equal to the required contributions for each year. The School Board's contributions to School Employees Retirement System for the years ending June 30, 2013, 2012, and 2011 were \$250,232, \$231,399, and \$191,401 respectively, equal to the required contributions of each year.

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

Plan description - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits and similar benefits for active employees are provided through the Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board. The plan does not issue a stand alone financial report.

Funding Policy - The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on the number of covered parties. If the employee alone is covered the retiree pays 20% and the employer pays 80%. Coverage for an employee plus one additional person is a 25%/75% split. Three or more people covered is a 30%/70% split. All life insurance paid is 75% paid by the employee and 25% paid by the employer.

The plan is currently financed on a pay as you go basis, with the School Board contributing \$960,776 for 188 retirees.

Madison Parish School Board
Notes to the Basic Financial Statements
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Annual Other Post Employment Benefit Cost and Liability - The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was implemented for the year ended June 30, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year, closed amortization period had been used. The level dollar amortization method was used. The total ARC for the fiscal year is \$2,294,558. The total ARC for the last three fiscal years are set forth below:

	<u>2013</u>
Normal Cost	\$ 972,175
30-year UAL amortization amount	<u>1,322,383</u>
Annual required contribution (ARC)	<u>\$ 2,294,558</u>

The following table presents the School Board's OPEB Obligation for fiscal years:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Beginning Net OPEB Obligation July 1	\$ 4,450,028	\$ 3,250,833	\$ 1,983,617
Annual required contribution	2,294,558	2,262,719	2,262,719
Interest on prior year Net OPEB Obligation	178,001	79,345	79,345
Adjustment to ARC	<u>(278,426)</u>	<u>(119,043)</u>	<u>(119,043)</u>
Annual OPEB Cost	2,194,133	2,223,021	2,223,021
Less current year retiree premiums	<u>960,776</u>	<u>1,023,826</u>	<u>955,805</u>
Increase in Net OPEB Obligation	<u>1,233,357</u>	<u>1,199,195</u>	<u>1,267,216</u>
Ending Net OPEB Obligation at June 30,	<u>\$ 5,683,385</u>	<u>\$ 4,450,028</u>	<u>\$ 3,250,833</u>

Utilizing the pay as you go method, the School Board contributed 43% of the annual post employment benefits cost during 2013, 46% during 2012, and 43% during 2011.

Funded Status and Funding Progress - Since the plan is not funded, the School Board's entire actuarial accrued liability of \$21,135,367 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2012, was as follows:

	<u>2013</u>
Actuarial accrued liability (AAL)	\$ 21,135,367
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ 21,135,367
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 8,790,244
UAAL as a percentage of covered payroll	240.44%

The required Schedule of Funding Progress immediately following the notes presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2012, Madison Parish School Board actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 % investment rate of return and initial actual healthcare cost trend rate of 7.9% scaling down to ultimate rates of 4.5% per year. Included in the healthcare trend rate is a 2.75% long term inflation rate. The RP-2000 Combined Healthy Mortality Table projected to 2027 was used in making actuarial assumptions. Withdrawal rates for employees ranged from 7% at age 25 to 2% at age 50. Disability rates ranged from .01% at age 25 to .47% at age 55. Retirement rates ranged from 5% at age 38 to 100% at age 72. The remaining amortization period at June 30, 2013, was twenty-five years.

NOTE 8 - ACCOUNTS, SALARIES, AND OTHER PAYABLES Payables at year-end are as follows:

	General	Title I	Debt Service	Nonmajor Governmental	Total
Salaries	\$ 868,391	\$ 175,663	\$ -	\$ 43,712	\$1,087,766
Accounts	60,855	112,965	3,031	189,505	366,356
Total	<u>\$ 929,246</u>	<u>\$ 288,628</u>	<u>\$ 3,031</u>	<u>\$ 233,217</u>	<u>\$1,454,122</u>

NOTE 9 - COMPENSATED ABSENCES At June 30, 2013, employees of the School Board have accumulated and vested \$591,915 of employee leave benefits, which were computed in accordance with GASB Codification Section C60.

NOTE 10 - AGENCY FUND DUE OTHERS

	Balance at Beginning of year	Additions	Deletions	Balance at Ending of year
Agency funds:				
Student activity funds	\$ 30,969	\$ 212,524	\$ 185,604	\$ 57,889
Sales tax collection fund	598,037	6,956,529	6,889,060	665,506
Total	<u>\$ 629,006</u>	<u>\$7,169,053</u>	<u>\$ 7,074,664</u>	<u>\$723,395</u>

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Madison Parish School Board Collection on Behalf of Other Taxing Authorities:

	Annual Totals- 2012-2013 Tax Periods (Cash Basis)		
	Total Collections	Collection Cost	Final Distribution
Madison Parish School Board			
Salaries (1%)	\$1,411,107	\$ 36,564	\$ 1,374,543
Maintenance (.5%)	697,272	18,009	679,263
Debt Service (1%)	1,405,618	36,450	1,369,168
	<u>3,513,997</u>	<u>91,023</u>	<u>3,422,974</u>
City of Tallulah (2%)	<u>1,211,753</u>	<u>31,451</u>	<u>1,180,302</u>
Madison Parish Sheriff's Office (.5%)	<u>702,769</u>	<u>18,199</u>	<u>684,570</u>
Madison Parish Police Jury (.5%)	<u>702,769</u>	<u>18,199</u>	<u>684,570</u>
Village of Delta (1%)	<u>25,052</u>	<u>668</u>	<u>24,384</u>
Village of Richmond (2%)	<u>230,071</u>	<u>5,930</u>	<u>224,141</u>
Total	<u>\$6,386,411</u>	<u>\$ 165,470</u>	<u>\$ 6,220,941</u>

NOTE 11 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities					
Bonds payable:					
2006 Sales Tax Revenue Bond	\$ 8,370,000	\$ -	\$ 300,000	\$ 8,070,000	\$ 320,000
2005 General Obligation Bond	15,865,000	-	595,000	15,270,000	620,000
Qualified zone academy bond (QZAB)	353,799	-	101,085	252,714	101,085
Other liabilities:					
Capital leases	142,087	-	69,770	72,317	72,317
Worker's compensation claims	337,000	102,542	97,542	342,000	125,000
OPEB liability	4,450,028	2,194,133	960,776	5,683,385	-
Compensated absences	511,464	381,251	300,800	591,915	300,800
Governmental activities					
Long-term liabilities	<u>\$ 30,029,378</u>	<u>\$ 2,677,926</u>	<u>\$ 2,424,973</u>	<u>\$ 30,282,331</u>	<u>\$ 1,539,202</u>

In February 2002, the School Board received \$1,061,395 from Qualified Zone Academy Bonds. The Qualified Zone Academy Bond Program is a federal program offered to school districts to acquire interest-free debt for selected projects. The federal government covers all the interest on the bonds.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

Below is a schedule of principal and interest payments for the general obligation, sales tax revenue, and Qualified Zone Academy Bonds:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2014	\$ 1,041,085	\$ 1,037,010	\$ 2,078,095
2015	1,081,085	987,710	2,068,795
2016	1,075,544	936,322	2,011,866
2017	1,075,000	890,985	1,965,985
2018	1,120,000	846,235	1,966,235
2019-2023	6,395,000	3,470,991	9,865,991
2024-2028	8,020,000	1,947,694	9,967,694
2029-2030	3,785,000	255,445	4,040,445
Total	<u>\$ 23,592,714</u>	<u>\$ 10,372,392</u>	<u>\$ 33,965,106</u>

<u>General obligation</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Outstanding</u>
General obligation bonds Series 2005	\$18,500,000	4.50-5.25%	March 15, 2030	\$ 15,270,000
Sales tax revenue bonds Series 2006	9,660,000	4.50-5.25%	March 15, 2030	8,070,000

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2013, the long term bonded debt balance was well below the legal limit. The bond payments are made by the debt service fund and QZAB and capital lease payments by the general fund. The compensated absences liability attributable to the governmental activities will be liquidated 100% by the general fund.

NOTE 12 - CAPITAL LEASE The School Board purchased five buses under a capital lease in October 2009. The total cost of the buses was \$349,300. The accumulated depreciation to date is \$74,956 leaving a net book value of \$224,868. The following is a schedule of future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2013:

Year Ending June 30, 2014	\$ 74,956
Less amounts representing interest	<u>(2,639)</u>
Present value of net minimum lease payments	<u>\$ 72,317</u>

Madison Parish School Board
Notes to the Basic Financial Statements
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NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund Receivable/Payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Title I	\$ 531,212
General Fund	Nonmajor Governmental	642,056
Nonmajor Governmental	General Fund	157,640
Total		<u>\$ 1,330,908</u>

The purpose of the interfund assets/liabilities between the general fund and grants funds was to cover current-year expenditures on cost reimbursement programs until the reimbursement requests are received.

Interfund Transfers:

	<u>Transfer In</u>	<u>Transfer out</u>
General Fund	\$ -	\$ 261,411
Debt Service	448,178	-
Nonmajor Governmental	261,411	-
Nonmajor Governmental	-	448,178
Total	<u>\$ 709,589</u>	<u>\$ 709,589</u>

Excess cash was transferred from the capital project fund to the debt service fund. The transfer from the general fund to the nonmajor governmental funds was to clear a deficit in the health programs fund.

NOTE 14 - LITIGATION AND CONTINGENCIES

Litigation At June 30, 2013, the School Board was involved in various litigations. It is the opinion of legal counsel for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

Grant Disallowances The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Tax Arbitrage Rebate Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

Madison Parish School Board
Notes to the Basic Financial Statements
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NOTE 15 - RISK MANAGEMENT The School Board initiated a risk management program for workers' compensation in 1992. An excess insurance policy covers individual claims in excess of \$250,000.

Changes in the claims amount for the current fiscal year are as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Beginning of</u> <u>fiscal year</u> <u>liability</u>	<u>Claims and</u> <u>changes in</u> <u>estimates</u>	<u>Benefit</u> <u>payments</u> <u>and claims</u>	<u>Ending of</u> <u>Fiscal year</u> <u>liability</u>
2010 - 2011	\$ 205,368	\$ 309,907	\$ 126,275	\$ 389,000
2011 - 2012	389,000	18,301	70,301	337,000
2012 - 2013	337,000	102,542	97,542	342,000

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The liability for unpaid claims is based on information provided by the third party administrator.

NOTE 16 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$4,253. This amount was recognized as state revenue with a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 17 - ECONOMIC DEPENDENCY Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Minimum Foundation Funding provided by the state to all public school systems in Louisiana is based on several factors. The state provided \$10,811,795 to the School Board, which represents approximately 48% of the School Board's total revenue for the year.

NOTE 18 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Actual Expenditures over Budgeted Expenditures

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Title I	\$ 1,904,539	\$ 2,402,971	\$ (498,432)

Actual expenditures exceeded budgeted expenditures because some of the smaller grants were not included in the original budget as the grant amount was unknown at the time. The budget was not amended during the year.

Madison Parish School Board
Notes to the Basic Financial Statements
June 30, 2013

NOTE 19 - FUND BALANCE CLASSIFICATIONS

	General	Debt Service	Nonmajor Governmental	Total
Non spendable:				
Inventory	\$ -	\$ -	\$ 25,723	\$ 25,723
Prepaid items	338,256	-	-	338,256
Restricted for:				
Salaries	232,076	-	-	232,076
Debt service	-	6,480,463	-	6,480,463
Capital projects	-	-	691,980	691,980
School food service	-	-	344,207	344,207
programs	-	-	3,141	3,141
Committed to:				
Maintenance	843,752	-	-	843,752
Health programs	-	-	167,469	167,469
Preschool	-	-	56,071	56,071
Unassigned	6,615,933	-	-	6,615,933
Total	<u>\$ 8,030,017</u>	<u>\$ 6,480,463</u>	<u>\$ 1,288,591</u>	<u>\$ 15,799,071</u>

NOTE 20 - CHANGES IN PRESENTATION In the prior year the IDEA special revenue fund and the capital project fund were major funds. These funds are not major for the current year.

NOTE 21 - NEW GASB STANDARDS In fiscal year 2013, the School Board implemented the following GASB Statements:

Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position." This Statement establishes standards for reporting of deferred outflows of resources, deferred inflows of resources, and net position.

Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement amends or supersedes the accounting and financial guidance for certain items previously reported as assets or liabilities as well as establishes accounting and financial reporting standards for the financial statement of state and local governments.

Although these Statements had no current effect on the financial statements as a result of implementation, the Statements did change the presentation of the School Board's financials, which consisted of the net assets being classified as net position.

REQUIRED SUPPLEMENTARY INFORMATION

Madison Parish School Board

Schedule of Funding Progress For Other Post Employment Benefit Plan
June 30, 2013

(Unaudited)

Fiscal Year Ending	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	(b-a/c) UAAL as a Percentage of Covered Payroll
2009	7/1/2008	\$ -	\$ 20,679,069	\$ 20,679,069	0%	\$12,468,980	165.84%
2010	7/1/2008	-	20,679,069	20,679,069	0%	11,988,102	172.50%
2011	7/1/2010	-	21,125,362	21,125,362	0%	11,181,681	188.93%
2012	7/1/2010	-	21,125,362	21,125,362	0%	10,737,244	196.75%
2013	7/1/2012	-	21,135,367	21,135,367	0%	8,790,244	240.44%

Madison Parish School Board
Budgetary Comparison Schedules

(Unaudited)

General Fund and Major Special Revenue Funds With Legally Adopted Annual Budgets

GENERAL FUND The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

TITLE I Title I improves the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. It is designed primarily to provide instructional activities to educationally deprived children that reside in low-income areas who have been selected on the basis of a needs assessment. These services supplement, not supplant, those normally provided by state and local educational agencies.

MADISON PARISH SCHOOL BOARD

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2013

(Unaudited)

Exhibit 1-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	AMOUNTS	
BUDGETARY FUND BALANCES, BEGINNING	\$ 7,326,345	\$ 7,326,345	\$ 7,326,345	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,395,000	1,395,000	1,231,318	(163,684)
Sales and use	1,785,227	1,785,227	2,117,689	332,462
Interest earnings	10,565	10,565	27,976	17,411
Other	55,300	55,300	44,157	(11,143)
State sources:				
Equalization	10,887,381	10,887,381	10,791,533	(95,848)
Other	101,152	101,152	67,698	(33,454)
Federal sources	-	-	62,180	62,180
Amounts available for appropriations	21,560,970	21,560,970	21,668,894	107,924
Charges to appropriations (outflows)				
Current:				
Instruction:				
Regular programs	6,058,131	6,058,131	5,381,815	696,316
Special programs	1,277,719	1,277,719	1,259,229	18,490
Other instructional programs	554,232	554,232	598,516	(44,284)
Support services:				
Student services	715,673	715,673	744,468	(28,795)
Instructional staff support	664,737	664,737	758,132	(91,395)
General administration	260,396	260,396	418,720	(158,324)
School administration	835,521	835,521	892,144	(56,623)
Business services	441,896	441,896	470,388	(28,492)
Plant services	1,531,158	1,531,158	1,314,579	216,579
Student transportation services	1,171,096	1,171,096	1,197,428	(26,332)
Food services	174,528	174,528	174,168	360
Community service programs	14,129	14,129	13,838	291
Debt service - principal retirement	101,086	101,086	170,855	(69,769)
Debt service - interest	-	-	5,186	(5,186)
Transfers to other funds	-	-	281,411	(281,411)
Total charges to appropriations	13,800,302	13,800,302	13,638,877	161,425
BUDGETARY FUND BALANCES, ENDING	\$ 7,760,668	\$ 7,760,668	\$ 8,030,017	\$ 269,349

MADISON PARISH SCHOOL BOARD

TITLE I
Budgetary Comparison Schedule
For the Year Ended June 30, 2013

(Unaudited)

Exhibit 1-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ -	\$ -	\$ -	\$ -
Resources (Inflows)				
Federal sources	1,904,539	1,904,539	2,402,971	498,432
Amounts available for appropriations	1,904,539	1,904,539	2,402,971	498,432
Charges to appropriations (outflows)				
Current:				
Instruction:				
Regular programs	-	-	75,505	(75,505)
Other instructional programs	1,129,471	1,129,471	1,467,325	(337,854)
Support services:				
Student services	110,546	110,546	108,843	1,703
Instructional staff support	516,943	516,943	567,680	(50,737)
General administration	147,079	147,079	183,016	(35,937)
Business services	500	500	602	(102)
Total charges to appropriations	1,904,539	1,904,539	2,402,971	(498,432)
BUDGETARY FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -

**Madison Parish School Board
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2013
(Unaudited)**

NOTE A. BUDGETS

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

Budget Basis of Accounting The major governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

NOTE B. EXCESS OF EXPENDITURES OVER BUDGET

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Title 1	\$ 1,904,539	\$ 2,402,971	\$ (498,432)

**NOTE C. BUDGET TO GAAP RECONCILIATION - EXPLANATION OF DIFFERENCES
BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND
EXPENDITURES**

SUPPLEMENTARY INFORMATION:
COMBINING NONMAJOR GOVERNMENTAL FUNDS

MADISON PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2013

Exhibit 2

	SPECIAL REVENUE	CAPITAL PROJECT	TOTAL
ASSETS			
Cash and cash equivalents	\$ 720,866	\$ 691,980	\$ 1,412,846
Receivables	574,361	-	574,361
Interfund receivables	157,640	-	157,640
Inventory	41,532	-	41,532
TOTAL ASSETS	<u>1,494,399</u>	<u>691,980</u>	<u>2,186,379</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	233,217	-	233,217
Interfund payables	642,056	-	642,056
Unearned revenue	22,515	-	22,515
Total Liabilities	<u>897,788</u>	<u>-</u>	<u>897,788</u>
Fund Balances:			
Nonspendable	25,723	-	25,723
Restricted	347,348	691,980	1,039,328
Committed	223,540	-	223,540
Total Fund Balances	<u>596,611</u>	<u>691,980</u>	<u>1,288,591</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,494,399</u>	<u>\$ 691,980</u>	<u>\$ 2,186,379</u>

MADISON PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2013

Exhibit 3

	SPECIAL REVENUE	CAPITAL PROJECT	TOTAL
REVENUES			
Local sources:			
Interest earnings	\$ 373	\$ 16	\$ 389
Food services	17,184	-	17,184
Other	192,226	-	192,226
State sources:			
Equalization	20,262	-	20,262
Other	149,776	-	149,776
Federal sources	2,684,852	-	2,684,852
Total Revenues	3,064,673	16	3,064,689
EXPENDITURES			
Current:			
Instruction:			
Regular programs	327,837	-	327,837
Special programs	173,167	-	173,167
Other instructional programs	318,583	-	318,583
Support services:			
Student services	422,008	-	422,008
Instructional staff support	501,082	-	501,082
General administration	153,840	-	153,840
School administration	15,816	-	15,816
Business services	7,101	-	7,101
Plant services	461	-	461
Student transportation services	2,046	-	2,046
Food services	1,198,598	-	1,198,598
Total Expenditures	3,120,539	-	3,120,539
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (55,866)	\$ 16	\$ (55,850)

(Continued)

MADISON PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2013

Exhibit 3

	SPECIAL REVENUE	CAPITAL PROJECT	TOTAL
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 261,411	\$ -	\$ 261,411
Transfers out	-	(448,178)	(448,178)
Total Other Financing Sources (Uses)	261,411	(448,178)	(186,767)
Net change in fund balances	205,545	(448,162)	(242,617)
FUND BALANCES - BEGINNING	391,066	1,140,142	1,531,208
FUND BALANCES - ENDING	\$ 596,611	\$ 691,980	\$ 1,288,591

(Concluded)

**Madison Parish School Board
Nonmajor Special Revenue Funds**

TITLE II To improve the skills of teachers and the quality of instruction in the mathematics and science, also to increase the accessibility of such instruction to all students.

TITLE IV This program was designed to establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

PRESCHOOL These grants to states assist them in providing a free, appropriate public education to preschool disabled children aged three through five years.

IDEA These grants to states assist them in providing a free appropriate public education to all children with disabilities.

VOCATIONAL EDUCATION The purpose of these grants is to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

SCHOOL FOOD SERVICE Through cash grants and food donations, the school food service fund assists in providing a nutritious breakfast and lunch service for school students and encourages the domestic consumption of nutritious agricultural commodities.

RURAL EDUCATION ACHIEVEMENT (REAP) To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning.

JOBS FOR AMERICA'S GRADUATES (JAG) A school to career program to keep young people in school through graduation and provide work based learning experiences.

LA4 This fund accounts for the preschool program.

EDUCATIONAL EXCELLENCE This fund accounts for monies received from the state education excellence fund. The funds are to be expended in accordance with the School Board's plan submitted and approved by the State Department of Education.

8G EARLY CHILDHOOD To provide high quality early childhood educational experiences to four year old children who are considered to be at risk of achieving later academic success.

RACE TO THE TOP Race to the top subgrants to LEAs are designed to address five main areas: (1) state success factors, (2) standards and assessment, (3) data systems to support instruction, (4) great teachers and leaders, and (5) turning around low performing schools.

HEALTH PROGRAMS This fund accounts for the money received for the school based health program.

MISCELLANEOUS FUNDS This fund accounts for various small local, state, and federal grants.

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2013

	<u>TITLE II</u>	<u>TITLE IV</u>	<u>PRESCHOOL</u>	<u>IDEA</u>
ASSETS				
Cash and cash equivalents	\$ 23,494	\$ 24,944	\$ -	\$ 341
Receivables	97,888	-	2,943	137,098
Interfund receivables	3,117	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	<u>124,499</u>	<u>24,944</u>	<u>2,943</u>	<u>137,439</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	25,338	24,944	898	-
Interfund payable	99,161	-	2,045	134,581
Unearned revenues	-	-	-	2,858
Total Liabilities	<u>124,499</u>	<u>24,944</u>	<u>2,943</u>	<u>137,439</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 124,499</u>	<u>\$ 24,944</u>	<u>\$ 2,943</u>	<u>\$ 137,439</u>

Exhibit 4

VOCATIONAL EDUCATION	SCHOOL FOOD SERVICE	REAP	JAG	LA 4	EDUCATIONAL EXCELLENCE	8G EARLY CHILDHOOD
\$ 11,621	\$ 355,462	\$ 77,347	\$ -	\$ -	\$ 56,071	\$ -
5,445	11,881	5,874	34,489	191,738	-	24,163
-	98,029	-	-	53,194	-	-
-	41,532	-	-	-	-	-
<u>17,066</u>	<u>506,904</u>	<u>83,221</u>	<u>34,489</u>	<u>244,932</u>	<u>56,071</u>	<u>24,163</u>
14,837	16,417	83,221	3,657	26,123	-	-
-	104,748	-	30,832	217,190	-	24,163
2,229	15,809	-	-	1,619	-	-
<u>17,066</u>	<u>136,974</u>	<u>83,221</u>	<u>34,489</u>	<u>244,932</u>	<u>-</u>	<u>24,163</u>
-	25,723	-	-	-	-	-
-	344,207	-	-	-	-	-
-	-	-	-	-	56,071	-
-	369,930	-	-	-	56,071	-
<u>\$ 17,066</u>	<u>\$ 506,904</u>	<u>\$ 83,221</u>	<u>\$ 34,489</u>	<u>\$ 244,932</u>	<u>\$ 56,071</u>	<u>\$ 24,163</u>

(CONTINUED)

MADISON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2013

Exhibit 4

	RACE TO THE TOP	HEALTH PROGRAMS	MISCELLANEOUS FUNDS	TOTAL
ASSETS				
Cash and cash equivalents	\$ -	\$ 131,799	\$ 39,787	\$ 720,866
Receivables	10,054	35,735	17,053	574,361
Interfund receivables	-	3,300	-	157,640
Inventory	-	-	-	41,532
TOTAL ASSETS	10,054	170,834	56,840	1,494,399
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	-	65	37,717	233,217
Interfund payable	10,054	3,300	15,982	642,056
Unearned revenues	-	-	-	22,515
Total Liabilities	10,054	3,365	53,699	897,788
Fund Balances:				
Nonspendable	-	-	-	25,723
Restricted	-	-	3,141	347,348
Committed	-	167,469	-	223,540
Total fund balances	-	167,469	3,141	596,611
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,054	\$ 170,834	\$ 56,840	\$ 1,494,399

(CONCLUDED)

MADISON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2013

	TITLE II	TITLE IV	PRESCHOOL	IDEA
REVENUES				
Local sources:				
Interest earnings	\$ -	\$ -	\$ -	\$ -
Food service	-	-	-	-
Other	-	-	-	-
State sources:				
Equalization	-	-	-	-
Other	-	-	-	-
Federal sources:	435,754	28	6,309	587,274
Total revenues	435,754	28	6,309	587,274
EXPENDITURES				
Current:				
Instruction:				
Regular programs	153,244	-	-	-
Special programs	-	-	4,908	165,970
Other instructional programs	4,107	-	-	1,635
Support services:				
Student services	-	28	-	217,782
Instructional staff support	244,951	-	983	152,995
General administration	33,452	-	418	48,684
School administration	-	-	-	-
Business services	-	-	-	-
Plant services	-	-	-	208
Student transportation services	-	-	-	-
Food services	-	-	-	-
Total expenditures	435,754	28	6,309	587,274
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

Exhibit 5

VOCATIONAL EDUCATION	SCHOOL FOOD SERVICE	REAP	JAG	LA 4	EDUCATIONAL EXCELLENCE	8G EARLY CHILDHOOD
\$ -	\$ 373	\$ -	\$ -	\$ -	\$ -	\$ -
-	17,184	-	-	-	-	-
-	1,216	-	-	-	-	-
-	20,262	-	-	-	-	-
-	-	-	-	24,432	51,819	68,835
29,886	1,174,964	43,480	101,924	193,564	-	-
29,886	1,213,999	43,480	101,924	217,996	51,819	68,835
-	-	17,479	95,078	-	-	-
-	-	-	-	-	-	-
29,186	-	-	2,130	212,690	-	68,835
-	-	10,177	-	-	-	-
700	-	12,468	4,716	-	55,404	-
-	-	3,356	-	12,111	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,046	-	-	-	-	-
-	1,194,005	-	-	-	-	-
29,886	1,196,051	43,480	101,924	224,801	55,404	68,835
-	17,948	-	-	(6,805)	(3,585)	-
-	-	-	-	6,805	-	-
-	-	-	-	-	-	-
-	-	-	-	6,805	-	-
-	17,948	-	-	-	(3,585)	-
-	351,982	-	-	-	59,656	-
\$ -	\$ 369,930	\$ -	\$ -	\$ -	\$ 58,071	\$ -

(CONTINUED)

MADISON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2013

Exhibit 5

	RACE TO THE TOP	HEALTH PROGRAMS	MISCELLANEOUS FUNDS	TOTAL
REVENUES				
Local sources:				
Interest earnings	\$ -	\$ -	\$ -	\$ 373
Food service	-	-	-	17,184
Other	-	191,010	-	192,226
State sources:				
Equalization	-	-	-	20,262
Other	-	-	4,690	149,776
Federal sources:	96,176	-	15,493	2,684,852
Total revenues	96,176	191,010	20,183	3,064,673
EXPENDITURES				
Current:				
Instruction:				
Regular programs	59,157	250	2,629	327,837
Special programs	-	-	2,289	173,167
Other instructional programs	-	-	-	318,583
Support services:				
Student services	-	194,021	-	422,008
Instructional staff support	14,102	1,400	13,363	501,082
General administration	-	54,756	1,063	153,840
School administration	15,816	-	-	15,816
Business services	7,101	-	-	7,101
Plant services	-	253	-	461
Student transportation services	-	-	-	2,046
Food services	-	-	4,593	1,198,598
Total expenditures	96,176	250,680	23,937	3,120,539
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	(59,670)	(3,754)	(55,866)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	254,606	-	261,411
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	254,606	-	261,411
Net change in fund balances	-	194,936	(3,754)	205,545
FUND BALANCES - BEGINNING	-	(27,467)	6,895	391,066
FUND BALANCES - ENDING	\$ -	\$ 167,469	\$ 3,141	\$ 596,611

(CONCLUDED)

**Madison Parish School Board
Agency Funds**

SALES TAX AGENCY FUND The School Board collects all sales tax for the parish and disburses to the appropriate governments.

SCHOOL ACTIVITIES FUND The activities of the various individual school accounts are accounted for in the school activities agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

MADISON PARISH SCHOOL BOARD

AGENCY FUNDS
Combining Schedule of Assets and Liabilities
June 30, 2013

Exhibit 6

	SCHOOL ACTIVITIES AGENCY FUND	SALES TAX AGENCY FUND	TOTAL AGENCY FUNDS
ASSETS			
Cash and cash equivalents	\$ 57,889	\$ 112,030	\$ 169,919
Receivables	-	553,476	553,476
Total Assets	<u>57,889</u>	<u>665,506</u>	<u>723,395</u>
LIABILITIES			
Deposits due others	<u>57,889</u>	<u>665,506</u>	<u>723,395</u>
Total Liabilities	<u>\$ 57,889</u>	<u>\$ 665,506</u>	<u>\$ 723,395</u>

MADISON PARISH SCHOOL BOARD

**AGENCY FUNDS - SCHOOL ACTIVITIES FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2013**

Exhibit 7

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Madison High School	\$ 20,354	\$ 134,843	\$ 118,817	\$ 36,380
Tallulah Elementary School	824	18,234	15,725	3,333
Madison Middle School	8,873	31,963	27,046	13,790
Wright Elementary School	918	27,484	24,016	4,386
Totals	<u>\$ 30,969</u>	<u>\$ 212,524</u>	<u>\$ 185,604</u>	<u>\$ 57,889</u>

MADISON PARISH SCHOOL BOARD

AGENCY FUNDS- SALES TAX AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2013

Exhibit 8

DEPOSIT BALANCE AT BEGINNING OF YEAR	\$ 598,037
ADDITIONS:	
Sales tax collections	<u>6,956,529</u>
SETTLEMENTS:	
Madison Parish School Board	
Salaries	1,532,889
Maintenance	757,254
Debt service	1,626,794
City of Tallulah	1,314,319
Sheriff's Office	763,357
Police Jury	763,357
Village of Delta	27,629
Village of Richmond	254,287
Protested taxes	(68,442)
Various expenses	17,616
	<hr/>
Total settlements	<u>6,889,060</u>
DEPOSIT BALANCE AT END OF YEAR	<u>\$ 665,506</u>

**Madison Parish School Board
General**

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2013**

Exhibit 9

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$800 per month and the President receives an additional \$100 per month.

<u>Board Member</u>	<u>Amount</u>
Jann W. Buchanan, President	\$ 10,800
Oscar Hamilton, Vice President	9,600
Vera Davis	9,600
Eddie Fountain	9,600
Paula Hamilton	9,600
Marguerite Hargrave	9,600
Randy Morgan	9,600
Jerry Richardson	8,800
Total	<u>\$ 77,200</u>

Madison Parish School Board.

**OTHER REPORTS REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS
AND BY THE OFFICE OF MANAGEMENT
AND BUDGET (*OMB*) *CIRCULAR A-133***

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1983-2002)
Francis I. Huffman, CPA
Philip A. Ragsdale, CPA
David Ray Soignier, CPA, MBA, CGMA

John Herman, CPA
Lynn Andries, CPA, CGMA
Esther Alteberry, CPA
Lori Woodard, MBA, CPA, CGMA, CITP

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the School Board
Madison Parish School Board
Tallulah, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish School Board, Louisiana (the School Board), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated April 15, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as Findings 2013-01, 2013-02, 2013-03, 2013-04, 2013-05, 2013-06, 2013-07 and 2013-08 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as Findings 2013-06, 2013-07 and 2013-08.

The School Board's Response to Findings

The School Board's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School Board's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management of the School Board, Federal awarding agencies and pass-through entities, and other entities granting funds to the School Board and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Luffey Huffman, Registered Accountants

(A Professional Accounting Corporation)

April 15, 2014

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Members of the School Board
Madison Parish School Board
Tallulah, Louisiana

Compliance

We have audited the Madison Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2013. The School Board's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Madison Parish School Board
Tallulah, Louisiana**

Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as Finding 2013-08 to be a material weakness as defined above.

This report is intended solely for the information and use of management of the School Board, others within the entity, federal awarding agencies and pass-through entities, and other entities granting funds to the School Board and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Huffman, Huffman, Reynolds & Sengier

(A Professional Accounting Corporation)

April 15, 2014

Madison Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	Expenditures
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
Non-cash assistance (commodities):			
National School Lunch Program	10.555	N/A	\$ 82,872
Cash assistance:			
National School Lunch Program	10.555	N/A	608,037
School Breakfast Program	10.553	N/A	390,801
Summer Food Program	10.559	N/A	26,694
			1,108,404
Fresh Fruit and Vegetable Program	10.582	N/A	66,560
Total United States Department of Agriculture			<u>1,174,964</u>
United States Department of Education			
Passed Through Louisiana Department of Education:			
Title I Part A Cluster:			
Basic Grant Program	84.010	28-13-T1-33	2,340,997
Title I ARRA	84.389	28-09-A1-33	61,974
			2,402,971
Special Education:			
Grants to States (Part B)	84.027	28-13-B1-33	587,274
Preschool Grants	84.173	28-13-P1-33	6,309
			593,583
Vocational Education:			
Basic Grants to States	84.048	28-12-02-33;	
		28-13-02-33	29,886
Title IV (Safe and Drug Free Schools)	84.186	28-10-70-33	28
State Personnel Development Grant	84.323	28-12-P3-33	15,493
Race to the Top ARRA	84.413	28-12-RT-33	96,176
Improving Teacher Quality State Grants (Title II)	84.367	28-13-50-33	435,754
Rural Education Achievement Program	84.358	28-13-RE-33	43,480
Total United States Department of Education			<u>3,617,371</u>
United States Department of Health and Human Services			
Temporary Assistance for Need Families	93.558B	28-13-JS-33;	
		28-13-36-33	295,488
United States Department of Defense Direct Program:			
Junior Reserve Officer Training Corps (JROTC)	12.UKN	N/A	62,180
TOTAL			<u>\$ 5,150,003</u>

Madison Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Madison Parish School Board. The School Board reporting entity is defined in Note 1 to the School Board's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the School Board's basic financial statements as follows:

Major Funds:	
General Fund	\$ 62,180
Title I	2,402,971
Nonmajor Special Revenue Funds:	
Title II	435,754
Title IV	28
Preschool	6,309
IDEA	587,274
Vocational Education	29,886
School Food Service	1,174,964
REAP	43,480
JAG	101,924
LA4	193,564
Race to the Top	96,176
Miscellaneous	15,493
Total	<u>\$ 5,150,003</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

**Section I – Summary of Auditor’s Results
Financial Statements**

Type of Auditor’s Report Issued: Unqualified

Internal Control Over Financial Reporting

Material Weakness(es) identified? ☒ Yes ☐ No

Significant Deficiency(s) identified not considered to be material weaknesses? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal Control Over Major Programs

Material weakness(es) identified? ☒ Yes ☐ No

Significant Deficiency(s) identified not considered to be material weakness(es)? ☐ Yes ☒ None Reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? ☒ Yes ☐ No

Dollar threshold used to distinguish between Type A and Type B programs
\$300,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

Identification of Major Programs:

<u>PROGRAM TITLE</u>	<u>CFDA#</u>
Child Nutrition Program	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
Fresh Fruit and Vegetable Program	10.582
Special Education-Grants to States (IDEA, Part B)	84.027
Special Education-Preschool Grants (IDEA, Preschool)	84.173
Race to the Top	84.413
Improving Teach Quality State Grants (Title II)	84.367
Temporary Assistance to Needy Families	93.558B

**MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

Section II – Financial Statement Findings and Questioned Costs:

2013-01 Internal Control - Sales Tax Collector

Finding

Madison Parish School Board (the School Board) is the sales tax collector for the parish and collects taxes on behalf of itself and five other local governments: Madison Parish Police Jury, the City of Tallulah, the Village of Richmond, the Village of Delta and the Madison Parish Sheriff's Office. Total collections and disbursements amount to approximately \$7 million in fiscal year 2013 of which the School Board received approximately \$3.5 million in fiscal year 2013 which represents approximately 13% of total revenues. Until fiscal year 2013, two people were employed in this department. In fiscal year 2013, due to changes in personnel, including the passing away of one of the employees, the department has been relegated to one employee for an extended period of time. This one employee sends out notices, receives payments, deposits payments and determines the amounts and payees of all payments. There are no controls in place verifying that charges are correct, monies received are properly deposited or that payments are made in a timely manner and in appropriate amounts. This same employee also handles the same functions for occupational licenses in the same manner. Aside from the lack of controls, the School Board is also exposed to a significant degree of risk should its current employee have to take a leave of absence for an extended period of time.

It is the School Board's responsibility to ensure that all businesses are paying their sales taxes and occupational license fees. This procedure is usually completed by verifying that businesses operating within the parish are on the list of businesses paying said monies to the School Board. However, there is no such action taking place by the School Board and there are no other controls in place to ensure that all entities are held accountable for the sales taxes and occupational license fees owed to the various entities.

Finally, it should also be noted that the School Board has a fiduciary responsibility to other local governments since the School Board is the sole sales tax collector for Madison Parish. These five local governments depend upon the School Board to function at a level that ensures the remittance of the share of taxes due to them on an ongoing dependable basis.

Recommendation

We recommend that the School Board either hire another employee to allow for the implementation of sound internal controls for all aspects for the collection and disbursements of sales taxes or to contract its sales tax collection duties to another entity that operates with functioning controls and has experience handling the collections for other entities. We further suggest that controls be implemented to ensure that all businesses are held responsible for funds owed to the various entities.

Response

Given the significance of the issue raised, the School Board will be moving forward to determine which direction it needs to take with respect to either strengthening its internal sales tax operation or to outsourcing it.

**MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

2013-02 Internal Controls – General Status of the Business Department

Finding

Many of the key positions in the business office are staffed by one employee. These key positions, include payroll, human resources, purchasing, Federal programs and the previously discussed sales tax collector. Additionally, there is a lack of cross training in each of these areas. The inadequate backup support in each of these areas lends the School Board to substantial risk should any one of these key employees become unavailable for work. Additionally and subsequent to year-end, the School Board laid off its acting business manager as part of its reduction in force due to the opening of a charter school which substantially impacted enrollment numbers and therefore, its' funding. Such action significantly impacted the already delicate balance of staffing previously described to a point where proper segregation of internal controls is no longer possible due to the lack of this key position. Also subsequent to year-end, the data information coordinator was laid off which impacted the procurement of certain information related to Schedule 5 (Public School Staff Data: Average Salaries) on page 97 whereby no one was aware of the specific procedures needed to accurately accumulate the needed information.

Recommendation

The first step in addressing this issue is to strongly consider the need for reactivating its business manager position. While we do understand the financial aspect that entered into the School Board's decision to lay off the acting business manager, it is not offset by a reduction in the resulting business risks that the School Board faces as a result of this layoff due to the failure to maintain proper segregation of internal controls. Secondly, the School Board needs to address the ability to accumulate accurate nonfinancial data for reporting. Finally, the School Board needs to review what it can do to cross train, especially with the critical role of payroll.

Response

The School Board will look at the possibility of hiring a consultant to train the current staff in financial management of all funds to ensure the School Board operates effectively in the future or explore the possibility of hiring a Business Manager. The School Board will continue to look for ways to improve our data reporting and will further implement cross training procedures as recommended above.

2013-03 Internal Control – Receipts Log Book

Finding

During our analysis of receipts testwork, it was noted that the Business Department's log for receipts was not kept up-to-date from July 26, 2012 to September 26, 2012 and January 25, 2013 to May 30, 2013, roughly 6 months of the year.

**MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

A review of the log sheet for the other dates revealed that most of the checks are below \$1,000, many of which were from retirees for their share of the health insurance premiums. Some of the less frequent checks were interest checks from the bank and rental fees for the use of School Board property. The larger checks related to receipting in for ad valorem (property) taxes and a land lease payment.

It should be noted that it is the policy of the School Board that the Business Department does not take cash payments.

Recommendation

Given the significance of the numerous and ongoing transactions with retirees as well as to address the basic need for being able to account for the funds received from all outside parties at the Business Department, we recommend that the School Board implement tracking procedures to ensure that funds received can accurately be traced from the receipt of the funds to the deposit of these funds into the bank. Typically, a receipt book is utilized in this area where a receipt can be given to the person presenting payment. At the time a deposit is made, the validated deposit receipt from the bank should be reconciled with the receipt book.

Response

The School Board will be implementing the procedures recommended above which is similar to what we already do at the cafeteria sites.

2013-04 Maintenance of Capital Asset Records

Finding

During our review of the capital asset records, it became apparent that several assets were either obsolete or were no longer on site. In total, assets with an initial cost of \$425,125, all of which had been fully depreciated, were determined to have been no longer on site, most likely due to obsolescence. Included in this amount, were 10 buses for \$288,196 (68% of the \$425,125); 64 computer related equipment for \$112,658 (26%) and other miscellaneous equipment for \$24,271 (6%). Public school buses are required to be sold by state law after the bus reaches 20 years of age. The computer related equipment removed was purchased from 1999 to 2005 and had been replaced with newer models in earlier years.

Recommendation

We recommend that the School Board periodically review its capital asset listing to ensure that its capital assets can be readily identified. A periodic review would best be performed at the beginning and ending of each school year. For a school location, teachers should be responsible for the capital assets in their individual classrooms. Remaining assets at each school can be either accounted for by one person or divided up as reasonably determined by the principal. Remaining capital assets should be managed by someone assigned the responsibility for those assets as well as oversight responsibility of the schools. The final recap of these reviews should be maintained by the person to show compliance with School Board policy. Finally, when sales or disposals occur, those assets to be removed at that time.

**MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

Response

The School Board will implement the recommendation as cited.

2013-05 Old Outstanding Checks

First reported - 2012

Finding

During our test of cash for the year ended June 30, 2013, we noted that the bank reconciliations for five of the School Board bank accounts had outstanding checks dating back as far as 1985 (28 years).

Vendor checks and payroll checks over 5 years should no longer be outstanding on an entity's bank reconciliation. Instead, these checks should be voided and handled in one of three ways:

- 1) added back to cash after researching and determining the amount has already been paid;
- 2) reissued after researching and determining the amount had not been previously paid when the address for the payee is known; or
- 3) turned over to the State's unclaimed property after researching and determining the amount had not been previously paid when the address for the payee is unknown.

A summary of the outstanding checks totaling \$25,619, all of which are below \$2,000 and are older than five years, is as follows: the Master Bank account has 105 checks outstanding totaling \$12,719; the School Lunch Fund account has 2 checks outstanding totaling \$149; the Title 1 Fund account has 1 check outstanding for \$250; the Payroll Fund has 69 checks outstanding totaling \$10,259; and the Sales Tax Maintenance Fund account has 2 checks outstanding totaling \$2,242.

Recommendation

We recommend that the outstanding checks, those older than five years as well as those less than five years, be reviewed on a periodic basis for reasonableness and appropriate action taken. Additionally, for a legitimately outstanding check that is older than five years, the check should be turned over to the Unclaimed Property Division, State of Louisiana if the payee cannot be located.

Response

We concur with the amount cited above based on our research of the items noted. Some of the records for the items cited were destroyed given the significant age of the items in question.

We have already discussed with our consulting CPA firm the need to resolve the status of these checks that are older than 5 years. These checks will be voided and added back to cash, voided and reissued to the payee if the payee can be located or voided and remitted to Unclaimed Property if the payee cannot be located as appropriate in each situation.

We will also review those checks issued within the past five years for the validity of those checks and take appropriate action.

**MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

2013-06 Financial Statements Not Filed Timely

First reported - 2012

Finding

LA R.S. 24:513 requires that the School Board prepare and submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of the most recent fiscal year. The School Board suffered personnel shortages due to workforce reductions and thus was unable to provide information to the auditors in time for the School Board to submit to the Louisiana Legislative Auditor within the prescribed time period.

Recommendation

We recommend that the School Board continue to work closely with its outsourced CPA firm in continuing to improve its financial reporting, especially with the vacancy in the business manager's position. However, while we do understand the financial constraints faced by the School Board, we recommend that the School Board consider the effects of not having an on-site business manager to handle the daily accounting requirements. Filling this position would favorably and significantly impact the accounting operations at the School Board to where the School Board does not rely on outside guidance on issues that need to be addressed on an ongoing basis.

Management's Response

The School Board will continue to work closely with its outsourced CPA firm. The School Board will also look at the possibility of hiring a consultant to train the current staff in financial reporting to ensure reports are submitted timely in the future or explore the possibility of hiring a Business Manager.

2013-07 Late Filing of the AFR

Finding

Each year, the Louisiana Department of Education (LDE) requires each school board to file an Annual Financial Report (commonly referred to as the AFR). The LDE uses this report to support management decisions at the state level and to respond to various request for educational financial data as well as for fund distribution by the LDE.

The deadline for the initial AFR submission and certification for fiscal year 2013 report was on September 30, 2013 with a final deadline (for clearing up of any adjustments required by the LDE on December 20, 2013. The School Board, due to the laying off of its interim business manager, was unable to start the task until late December 2013 and the AFR was not filed until January 20, 2014.

Recommendation

As with the previous finding, we recommend that the School Board continue to work closely with its outsourced CPA firm in continuing to improve its financial reporting, especially with the vacancy in the business manager's position. However, while we do understand the financial constraints faced by the School Board, we recommend that the School Board consider the effects of not having an on-site business manager to handle the daily accounting requirements. Filling this position would favorably

**MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

and significantly impact the accounting operations at the School Board to where the School Board does not rely on outside guidance on issues that need to be addressed on an ongoing basis.

Response

The School Board will look at the possibility of hiring a consultant to train the current staff in financial reporting to ensure reports are submitted timely in the future or explore the possibility of hiring a Business Manager.

Section III: Findings and questioned costs for Federal Awards, including those specified by OMB Circular A-133.

2013-08 Level of Effort – Maintenance of Effort

Finding

OMB Circular A-133 requires that the School Board maintain a certain level of effort for the Special Education – IDEA B program which includes a specified level of service to be provided from period to period as well as a specified level of expenditures from non-Federal or Federal sources for specified activities from period to period. We were informed that the School Board has not yet completed its required maintenance of effort computations. Turnover in personnel has caused a backlog in the workload in the grants management area. As a result of not completing the maintenance of effort computations in a timely manner, the School Board is non-compliant with the maintenance of effort requirement of the IDEA B program.

Recommendation

The School Board should establish procedures to ensure that all compliance requirements of its federal programs are complied with in a timely manner.

Response

We will be reviewing the issue discussed with our new employee in charge of Federal compliance to ensure that the action necessary will be taken to address this finding.

MADISON PARISH SCHOOL BOARD

Status of Prior Year Findings

The following is a summary of the status of the prior year findings included in the Luffey, Huffman, Ragsdale & Soignier, APAC audit report dated March 29, 2013 covering the financial statements of the Madison Parish School Board as of and for the year ended June 30, 2012.

2012-01 Old Outstanding Checks

Finding

It was noted that the bank reconciliations for four (the Master Bank account, the School Lunch Fund, the Tile 1 Fund and the Sales Tax Maintenance Fund account) of the School Board bank accounts had outstanding checks dating back as far as 1986. It was recommended that the School Board address the checks over \$2,000 first and then follow up with the remaining checks.

Status

The School Board obtained the information needed to close out the checks over the \$2,000 threshold which totaled \$228,063, before the close of Fiscal Year 2013 and is in the process of obtaining the information needed to close out the remaining checks as noted in Finding 2013-05.

2012-02 Other Prior Period Adjustments

Finding

In addition to the \$228,063 prior period adjustment cited above to increase cash and fund balance, the School Board also had prior period adjustments that affected several other line items. Cumulatively, these additional entries decreased the fund balance on the fund financial statement basis (Statement E) by \$91,221 for items such as receivables that were never billed in prior periods (\$8,649), salaries payable that were not fully recorded in a prior year (\$65,987), and other smaller changes of (\$16,585). In total, fund balance increased \$136,842.

On the government-wide financial statement basis (Statement B), net assets increased by \$192,050 which includes the \$136,842 cited above plus an additional \$55,208. This \$55,208 includes a \$264,609 increase in capital assets, net of accumulated depreciation and a \$209,401 increase in leases payable for buses that were purchased on a capital lease in fiscal year 2009 that had not been reported on the financial statements.

Status

The School Board had only one entry related to a prior year which is notated in Finding 2013-04 where capital assets and accumulated depreciation decreased by \$425,125 resulting in a \$0 change to the beginning net position amounts.

MADISON PARISH SCHOOL BOARD

Status of Prior Year Findings

2012-03 Financial Statements Not Filed Timely

Finding

LA R.S. 24:513 requires that the School Board prepare and submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of the most recent fiscal year. The audit firm suffered personnel shortages due to a sudden illness during the audit of the partner performing the audit and thus was unable to complete the audit in time for the School Board to submit to the Louisiana Legislative Auditor within the prescribed time period.

Status

As noted in Finding 2013-06 (and the related Finding 2013-07), the School Board has experienced some internal issues due to the downsizing in all areas of the School Board, including the elimination of the Business Manager position.

OTHER INFORMATION

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
Francis I. Huffman, CPA
Philip A. Ragsdale, CPA
David Ray Soignier, CPA, MBA, CGMA

John Herman, CPA
Lynn Andries, CPA, CGMA
Esther Atteberry, CPA
Lori Woodard, MBA, CPA, CGMA, CITP

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

Members of the School Board
Madison Parish School Board
Tallulah, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the Madison Parish School Board (the School Board) and the Legislative Auditor, State of Louisiana (collectively, the Specified Users), solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the Madison Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the Specified Users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules required by state law and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

Comment: No exceptions were noted.

**Madison Parish School Board
Tallulah, Louisiana**

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to School Board supporting payroll records as of October 1, 2012.

Comment: No exceptions were noted.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Comment: No exceptions were noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2012 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

Comment: No exceptions were noted.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Comment: The Title I Grants to Local Educational Agencies application reflects five schools whereas Schedule 3 reflects 6 schools. The sixth school is the Madison Parish Alternative School (MPAC) which educates students from either Madison Parish Middle School or Madison Parish High School. As such, these students are included in the official roster of those schools. However, for practical purposes, MPAC is run as a school with permanently assigned teachers and principal and therefore, it is appropriate to include MPAC as an educational facility on Schedule 3.

Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2012 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Comment: No exceptions were noted.

**Madison Parish School Board
Tallulah, Louisiana**

Public School Staff Data: Average Salaries (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Comment: In our payroll testwork, we were unable to agree the amounts reflected in the data used to derive the average salaries excluding extra compensation for Schedule 5 to the payroll testwork. Please understand that for the amounts tested, the amounts paid to the teachers did agree to the payroll schedule approved by the School Board without exception.

With respect to the 28 salaries that ended up being teachers' salaries that were in the overall payroll testwork, 24 of the teachers' salaries were lower than the amount expected (in total, expected \$877,558 per the testwork versus the amount in the schedule of \$811,039 for a variance of \$66,529 or an average of \$2,772 per teacher below expectations).

The remaining 4 teachers had salaries higher than the amount expected (in total, expected \$135,710 per the testwork versus the amount in the schedule of \$152,136 for a variance of \$16,426 or an average of \$4,106 above expectations). The combined variance of all 28 teachers reflects an average underreporting of teachers' salaries of \$1,789.

Further analysis of the remaining data on Schedule 5 was not performed and the data reflected in the schedule is not deemed reliable.

Management Response: The School Board will further research this issue and will take corrective action as necessary.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Comment: See above comment.

Management Response: See above response.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2012 roll books for those classes and determined if the class was properly classified on the schedule.

**Madison Parish School Board
Tallulah, Louisiana**

Comment: Of the ten classes selected, six agreed to the data used in producing Schedule 6. Three classes had a variance of 1 (expected 13, 23 and 25 per the Schedule 6 data versus 14, 22 and 26 in the roll book, respectively) and one class had a variance of 12 (expected 31 per the Schedule 6 data versus the 19 in the roll book).

Management Response: The School Board is already addressing the need for keeping accurate roll books with our teachers, including making notations as to when a student arrives or departs in a class for those students that are not enrolled for the full school year.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted.

Graduation Exit Examination (Schedule 8)

11. Information is not applicable for 2013. Schedule is shown for historical purposes only.

Comment: No exceptions were noted.

iLeap Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Madison Parish School Board, the Louisiana Department of Education, the Louisiana Legislature and Legislative Auditor, State of Louisiana and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Huffman, Huffman, Roydale, & Higgins

(A Professional Accounting Corporation)

April 15, 2014

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2013

Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principal's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 4 - Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data: Average Salaries

This schedule includes average classroom teacher's salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2013

Schedule 8 - Graduation Exit Examination (GEE)

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 9 -iLEAP Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

As of fiscal year 2011, 9th graders are not required to take iLeap. These students must now pass 3 end-of-course tests. The Department of Education will be reviewing end-of-course testing and its potential inclusion for assurance purposes in time for fiscal year 2013 assurance submissions.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
Fiscal Year Ended June 30, 2013**

General Fund Instructional and Equipment Expenditures**General Fund Instructional Expenditures:****Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 4,039,148	
Other Instructional Staff Activities	639,283	
Instructional Staff Employee Benefits	2,185,422	
Purchased Professional and Technical Services	77,509	
Instructional Materials and Supplies	135,950	
Instructional Equipment	-	

Total Teacher and Student Interaction Activities	\$ 7,077,312
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Other Instructional Activities

	148,259
--	---------

Pupil Support Activities

	938,490
--	---------

Less: Equipment for Pupil Support Activities

	(499)
--	-------

Net Pupil Support Activities

	937,991
--	---------

Instructional Staff Services

	812,937
--	---------

Less: Equipment for Instructional Staff Services

	-
--	---

Net Instructional Staff Services

	812,937
--	---------

School Administration:

	892,142
--	---------

Less: Equipment for Instructional Staff Services

	-
--	---

Net School Administration

	892,142
--	---------

Total General Fund Instructional Expenditures

	\$ 9,868,641
--	--------------

Total General Fund Equipment Expenditures

	\$ 5,487
--	----------

Certain Local Revenue Sources**Local Taxation Revenue:**

Constitutional Ad Valorem Taxes	\$ 569,746
Renewable Ad Valorem Tax	547,218
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff	-
on Taxes Other than School Taxes	114,352
Sales and Use Taxes	2,117,689
Total Local Taxation Revenue	\$ 3,349,005

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	\$ -

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 19,001
Revenue Sharing - Other Taxes	19,001
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ 38,002

Nonpublic Textbook Revenue

	\$ 7,125
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Nonpublic Transportation Revenue

	\$ -
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MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Education Levels of Public School Staff
As of October 1, 2012

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	0%	-	0%	-	0%	-	0%
Bachelor's Degree	62	56%	1	1%	-	0%	-	0%
Master's Degree	34	31%	-	0%	3	33%	-	0%
Master's Degree + 30	8	7%	-	0%	5	56%	-	0%
Specialist in Education	4	4%	-	0%	-	0%	-	0%
Ph. D. or Ed. D.	2	2%	-	0%	1	11%	-	0%
Total	110	99%	1	1%	9	100%	-	0%

Schedule 3

**MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana**

**Number and Type of Public Schools
Fiscal Year Ended June 30, 2013**

<u>Type</u>	<u>Number</u>
Elementary	2
Middle/Jr. High	1
Secondary	1
Combination	2
Total	<u><u>6</u></u>

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers
As of October 1, 2012

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	1	-	-	-	-	1
Principals	-	-	-	2	-	1	3	6
Classroom Teachers	16	7	20	10	11	11	36	111
Total	16	7	21	12	11	12	39	118

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Public School Staff Data: Average Salaries
Fiscal Year Ended June 30, 2013

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</u>
Average Classroom Teachers' Salary Including Extra Compensation	\$32,248	\$33,609
Average Classroom Teachers' Salary Excluding Extra Compensation	\$34,011	\$31,994
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	95	87

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Class Size Characteristics
As of October 1, 2012

School Type	Class Size Range								Total	
	1 - 20		21 - 26		27 - 33		34 +			
	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number
Elementary	35.9%	42	35.9%	42	26.5%	31	1.7%	2	100.0%	117
Elementary Activity Classes	25.0%	2	37.5%	3	37.5%	3	0.0%	-	100.0%	8
Middle/Jr. High	0.0%	68	0.0%	30	0.0%	-	0.0%	-	0.0%	98
Middle/Jr. High Activity Classes	0.0%	3	0.0%	3	0.0%	3	0.0%	3	0.0%	12
High	58.9%	73	30.6%	38	10.5%	13	0.0%	-	100.0%	124
High Activity Classes	80.8%	42	15.4%	8	3.8%	2	0.0%	-	100.0%	52
Combination	34.8%	62	27.0%	48	30.9%	55	7.3%	13	100.0%	178
Combination Activity Classes	27.3%	6	13.6%	3	54.5%	12	4.5%	1	100.0%	22
Total	48.8%	298	28.6%	175	19.5%	119	3.1%	19	100.0%	611

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Louisiana Educational Assessment Program (LEAP)
Three Fiscal Years Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	6	3	2	1	5	3	1	1	6	4	4	3
Mastery	24	14	18	13	19	13	31	18	26	19	16	11
Basic	83	48	72	53	61	40	61	35	63	46	53	35
Approaching Basic	30	17	31	23	25	16	26	15	20	15	27	18
Unsatisfactory	29	17	13	10	42	28	53	31	22	16	52	34
Total	172		136		152		172		137		152	

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	0	0	3	2	0	0	1	1	0	0	1	1
Mastery	4	2	18	13	11	7	13	8	8	6	8	5
Basic	64	37	57	42	26	17	69	40	72	53	49	32
Approaching Basic	63	37	39	28	60	39	52	30	28	21	36	24
Unsatisfactory	41	24	20	15	57	37	37	22	28	21	59	39
Total	172		137		154		172		136		153	

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0	0	0	1	1	0	0	0	0	0	0
Mastery	12	10	8	6	1	1	2	2	2	1	3	2
Basic	29	24	44	32	53	42	56	45	59	44	60	47
Approaching Basic	53	43	54	39	58	46	33	27	40	30	48	38
Unsatisfactory	28	23	31	23	12	10	33	27	34	25	17	13
Total	122		137		125		124		135		128	

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0	0	0	0	0	0	0	0	0	0	0
Mastery	4	3	10	7	14	11	7	6	9	7	2	1
Basic	43	35	33	24	49	37	60	48	48	35	81	60
Approaching Basic	47	38	46	34	46	35	29	23	42	31	37	27
Unsatisfactory	30	24	48	35	24	18	29	23	37	27	15	11
Total	124		137		133		125		136		135	

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Graduation Exit Exam
Three Fiscal Years Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 10												
Advanced	N/A	N/A	N/A	N/A	-	-	N/A	N/A	N/A	N/A	1	1
Mastery	N/A	N/A	N/A	N/A	12	12	N/A	N/A	N/A	N/A	4	4
Basic	N/A	N/A	N/A	N/A	47	48	N/A	N/A	N/A	N/A	59	60
Approaching Basic	N/A	N/A	N/A	N/A	30	31	N/A	N/A	N/A	N/A	13	13
Unsatisfactory	N/A	N/A	N/A	N/A	9	9	N/A	N/A	N/A	N/A	21	22
Total	-	-	-	-	98	-	-	-	-	-	98	-

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students												
Grade 11												
Advanced	N/A	N/A	3	3	1	1	N/A	N/A	-	-	-	-
Mastery	N/A	N/A	4	4	4	4	N/A	N/A	3	3	3	4
Basic	N/A	N/A	28	27	18	19	N/A	N/A	37	35	30	31
Approaching Basic	N/A	N/A	40	38	27	28	N/A	N/A	26	25	30	31
Unsatisfactory	N/A	N/A	30	29	46	48	N/A	N/A	39	37	33	34
Total	-	-	105	-	96	-	-	-	105	-	96	-

MADISON PARISH SCHOOL BOARD
ILEAP Tests
Three Fiscal Years Ended June 30, 2013

ILEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	5	4	8	7	1	1	5	4
Mastery	17	14	16	13	13	11	16	13
Basic	39	32	35	28	28	23	25	20
Approaching Basic	19	15	26	21	42	34	32	26
Unsatisfactory	43	35	38	31	39	32	45	37
Total	123		123		123		123	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	1	4	3	0	0	0	0
Mastery	9	7	7	6	5	4	7	6
Basic	43	35	35	28	27	22	35	28
Approaching Basic	43	35	29	23	56	45	34	27
Unsatisfactory	28	23	50	40	37	30	49	39
Total	124		125		125		125	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0	1	1	0	0	7	5
Mastery	10	8	5	4	7	5	21	16
Basic	44	33	63	47	50	38	60	45
Approaching Basic	49	37	28	21	60	45	33	25
Unsatisfactory	30	23	36	27	16	12	12	9
Total	133		133		133		133	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0	3	2	3	2	0	0
Mastery	13	10	20	16	32	25	6	5
Basic	55	43	65	51	62	48	47	37
Approaching Basic	37	29	22	17	21	16	41	32
Unsatisfactory	23	18	18	14	10	8	34	27
Total	128		128		128		128	

District Achievement Level Results	English Language Arts		Mathematics	
	2011		2011	
	Number	Percent	Number	Percent
Grade 9				
Advanced	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A
Total	0		0	

Continued

MADISON PARISH SCHOOL BOARD
ILEAP Tests
Three Fiscal Years Ended June 30, 2013

ILEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	2	2	1	1	1	2	1
Mastery	26	15	18	11	32	19	35	21
Basic	50	30	58	34	51	30	48	28
Approaching Basic	40	24	30	18	43	25	33	20
Unsatisfactory	49	29	62	36	42	25	51	30
Total	169		170		169		169	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	1	3	3	0	0	0	0
Mastery	12	10	7	6	5	4	10	8
Basic	45	38	31	26	33	28	57	48
Approaching Basic	28	24	24	20	42	35	28	24
Unsatisfactory	33	28	54	45	40	33	24	20
Total	119		119		120		119	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	2	2	2	2	0	0	4	3
Mastery	7	6	14	12	3	3	5	4
Basic	46	38	57	48	45	38	57	48
Approaching Basic	37	31	17	14	51	43	35	29
Unsatisfactory	28	23	29	24	21	18	19	16
Total	120		119		120		120	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0	3	2	0	0	1	1
Mastery	7	5	7	5	12	9	11	8
Basic	42	32	55	42	40	31	71	54
Approaching Basic	57	44	33	25	55	42	28	21
Unsatisfactory	24	18	33	25	24	18	20	15
Total	130		131		131		131	

District Achievement Level Results	English Language Arts		Mathematics	
	2012		2012	
	Number	Percent	Number	Percent
Grade 9				
Advanced	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A
Total	0		0	

Continued

MADISON PARISH SCHOOL BOARD
ILEAP Tests
Three Fiscal Years Ended June 30, 2013

ILEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	2	1	0	0	0	0	0	0
Mastery	10	7	5	3	1	1	2	1
Basic	40	27	33	22	45	30	41	27
Approaching Basic	48	32	37	25	53	35	44	29
Unsatisfactory	50	33	75	50	51	34	63	42
Total	150		150		150		150	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	4	4	0	0	0	0	0	0
Mastery	21	18	17	15	3	3	11	10
Basic	27	24	37	32	31	27	27	23
Approaching Basic	30	26	27	23	45	39	32	28
Unsatisfactory	32	28	34	30	35	31	45	39
Total	114		115		114		115	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	2	2	3	3	0	0	7	6
Mastery	5	4	1	1	5	4	10	9
Basic	40	35	20	18	22	19	58	51
Approaching Basic	30	27	25	22	51	45	24	21
Unsatisfactory	36	32	64	57	36	32	15	13
Total	113		113		114		114	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	3	3	1	1	0	0	2	2
Mastery	13	12	8	7	8	7	12	10
Basic	42	39	43	40	32	28	47	41
Approaching Basic	30	28	33	31	42	37	31	27
Unsatisfactory	21	19	23	21	33	29	23	20
Total	109		108		115		115	

District Achievement Level Results	English Language Arts		Mathematics	
	2013		2013	
	Number	Percent	Number	Percent
Grade 9				
Advanced	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A
Total	0		0	

Concluded